

**Regular Meeting
Board of Administration
Tacoma Employees' Retirement System**

1:00 p.m., Thursday, March 14, 2019
Tacoma Public Utilities
Administration Building North
Conference Room LT1
3628 S. 35th Street
Tacoma, Washington 98409

Minutes

Call to Order

Sam Bencoter, Vice Chair, called the meeting to order on Thursday, March 14, 2019.

Roll Call

Members Present: Sam Bencoter, Gordon Cavanaugh, Andy Cherullo, Matthew Hedges, Kim Moore, Jim Sant, Tadd Wille and Wayne Reed

Members Absent: Mayor Victoria Woodards and Justin Angove

Others Present: Tim Allen, Retirement Director
Kathleen Mason, Recording Secretary
Catherine Marx, Assistant Retirement Director
Charles Lee, Deputy City Attorney

Citizen Comments

None.

Consent Agenda

Upon motion by Andy Cherullo, seconded by Gordon Cavanaugh, the Retirement Board moved to adopt the Consent Agenda and approve the drafted minutes of the February 14, 2019 Retirement Board meeting.

Old Business

Investment Update

Tim Allen reported on investment returns for several minimum volatility products that TERS had considered when the allocation was put in place around three and one-half years ago. The strategies were a blend of active and passive strategies and have performed very differently, particularly in 2018. TERS will likely choose from among these for the additional allocation to minimum volatility public equity that was approved by the Board with the new strategic asset allocation targets. He also reported on his telephone meeting with Michael Torres of Adelante.

Regular Meeting
Board of Administration
Tacoma Employees' Retirement System
1:00 p.m., March 14, 2019

Old Business continued

Investment Update continued

Tim reported on his attendance at the DFA Conference and luncheon that was held in Seattle, and discussed a fee reduction. He noted that one of the Eaton Vance's co-heads for bank loans will be retiring at the end of 2019, and that this long lead time demonstrates a thoughtful transition period on the part of the manager.

He then reviewed the securities lending revenue, rebates and fees for calendar year 2018, and noted the impact on TERS' biennial budget.

ESG Review

Tim reported that he will begin providing a summary of ESG-related activities taken on behalf of the System to the TERS Board at each Board meeting. Tim plans on attending a dedicated ESG investing seminar in Chicago in May.

Investment Policy Review

Upon motion by Andy Cherullo, seconded by Jim Sant, the Board approved the Investment Policy, as revised.

RFP Policy Review

Upon motion by Kim Moore, seconded by Andy Cherullo, the Board approved the RFP for Consultants Policy.

New Business

2019 TERS Budget Review

Catherine Marx, Assistant Retirement Director, presented a semi-annual TERS budget review using the Budget Status Report for the period ending December 31, 2018.

Retirement Director's Report

The Retirement Director's report serves as an addendum to the minutes.

Regular Meeting
Board of Administration
Tacoma Employees' Retirement System
1:00 p.m., March 14, 2019

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Mayor's Letter to City Council

As required in the Tacoma Municipal Code, on a quarterly basis Mayor Victoria Woodards, Board Chair, provides a TERS update report to members of the City Council. A copy of the memo dated February 14, 2019 was distributed to the Board.

Investment Advisory Committee Letter to City Council

A copy of the 2018 Investment Advisory Committee Statement was distributed to the Board.

Retirement Transactions Report – February 2019

The Retirement Transactions Report – February 2019 was provided to the Board.

Additional Topics

Adjourn

Sam Benscoter adjourned the meeting at 2:17p.m.



Kathleen Mason
Recording Secretary



Mayor Victoria Woodards
Board Chair